Industry 4.0 in Finance: The Impact of Artificial Intelligence (AI) on Digital Financial Inclusion

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Abstract

This study sought to investigate the impact of AI on digital financial inclusion. Digital financial inclusion is becoming central in the debate on how to ensure that people who are at the lower levels of the pyramid become financially active. Fintech companies are using AI and its various applications to ensure that the goal of digital financial inclusion is realized that is to ensure that low-income earners, the poor, women, youths, small businesses participate in the mainstream financial market. This study used conceptual and documentary analysis of peer-reviewed journals, reports and other authoritative documents on AI and digital financial inclusion to assess the impact of AI on digital financial inclusion. The present study discovered that AI has a strong influence on digital financial inclusion in areas related to risk detection, measurement and management, addressing the problem of information asymmetry, availing customer support and helpdesk through chatbots and fraud detection and cybersecurity. Therefore, it is recommended that financial institutions and non-financial institutions and governments across the world adopt and scale up the use of AI tools and applications as they present benefits in the quest to ensure that the vulnerable groups of people who are not financially active do participate in the formal financial market with minimum challenges and maximum benefits.